



Integrated Dental Holdings

Q1 2014 Investor presentation

12 September 2013

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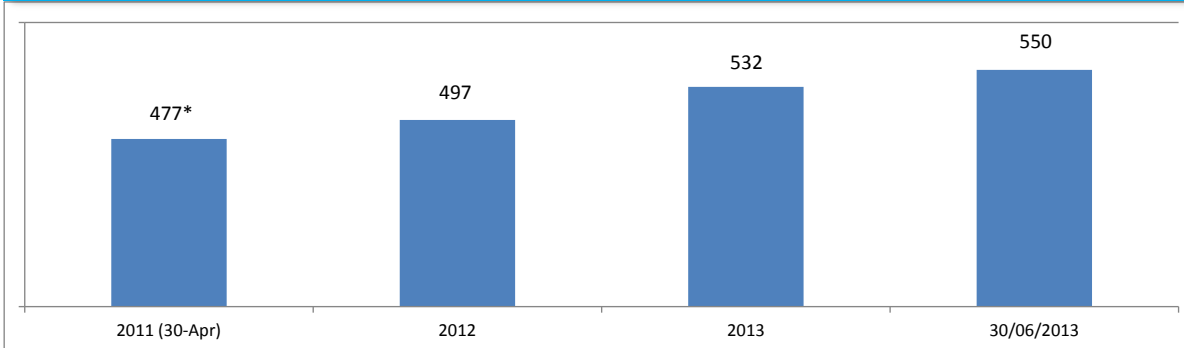
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- UK's leading provider of NHS and other dental services
 - Market share of c.5% in terms of number of practices and c.12% in terms of UDA's in England (NHS).
 - Nearly three times larger than next competitor.
 - National footprint with 550 practices @ end of Quarter 1.
 - c.2,250 independently contracted dentists and hygienists
- Prime focus is on NHS dentistry (86% of revenues), but we also provide a range of private and specialist services.
- Stable business with a high level of NHS contracted revenues:
 - 2013 Revenue: £349m, EBITDA: £56.3m, 16.1% margin.
 - Stable like for like revenues and practice EBITDA margins from predictable primarily contracted business model.

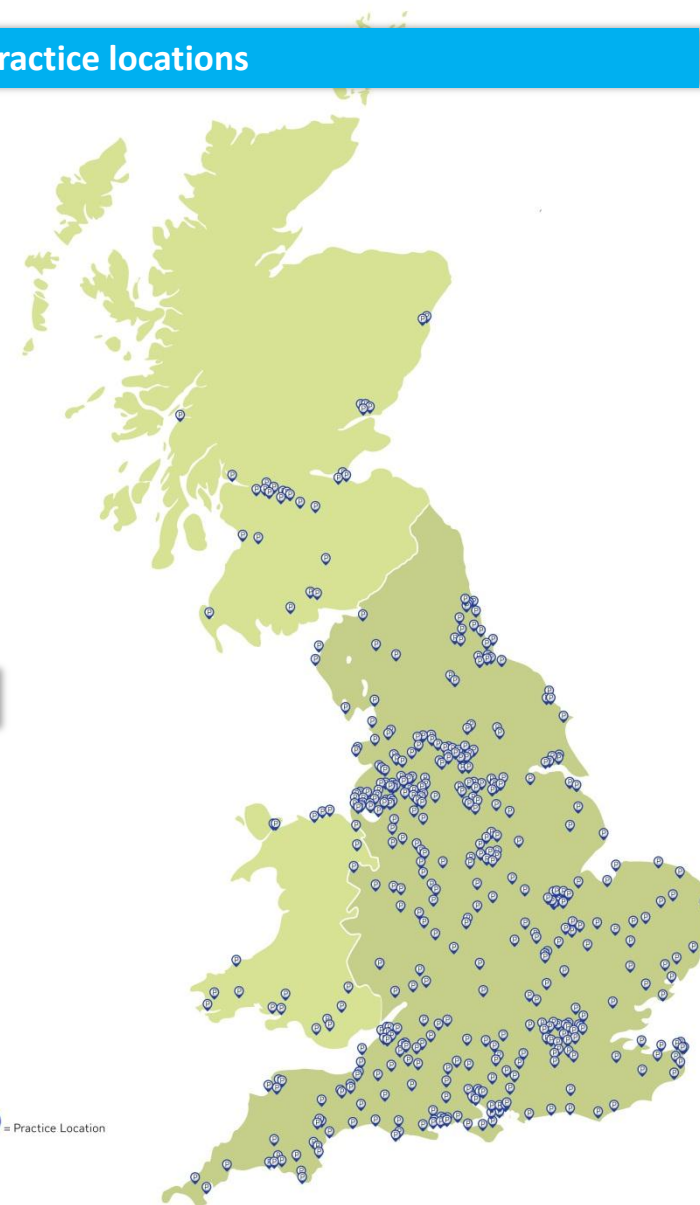
Number of practices



(Fiscal years ended 31 March)

* Number of practices post merger with ADP

Practice locations



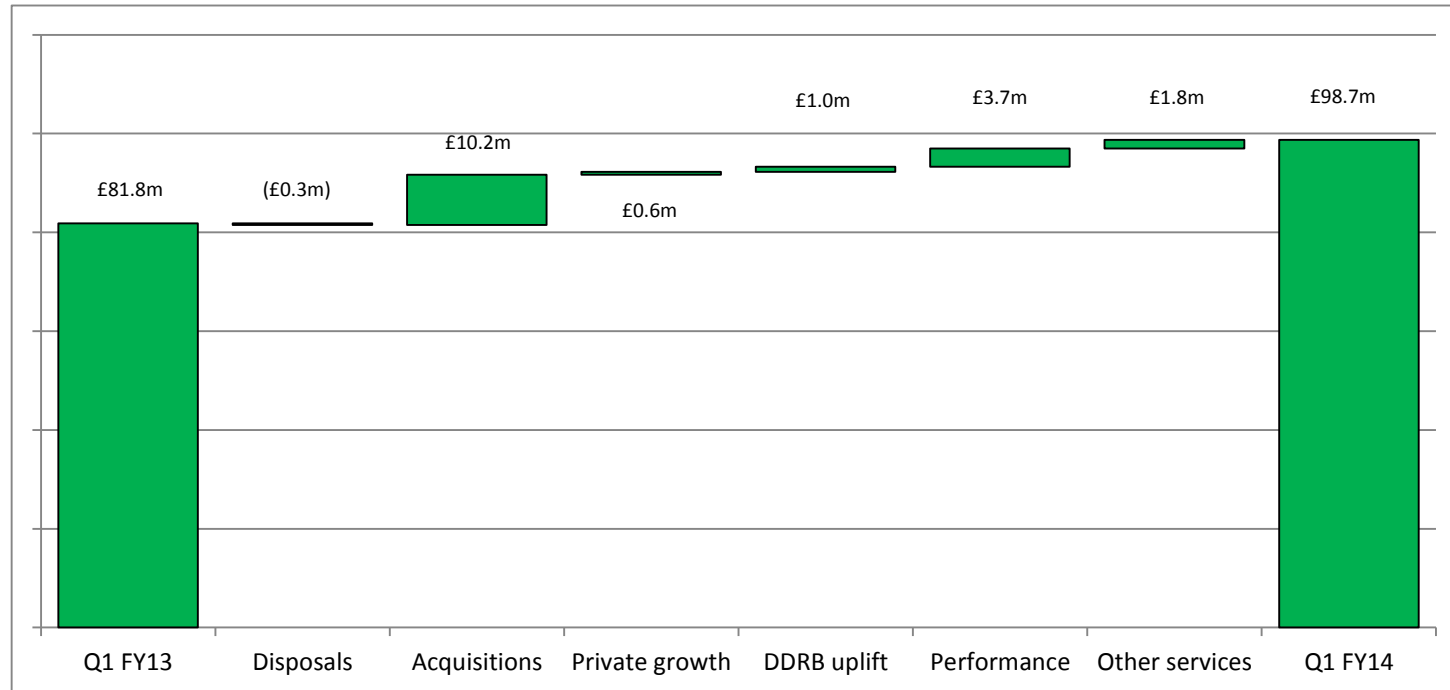
 = Practice Location

- EBITDA up 21.1% to £15.4m (15.6% of turnover)
- Turnover up 20.7% on 2012 to £98.7m
- LFL private revenue up 5.6%
- 19 practices acquired during the quarter - total estate of 550 @ 30 June 2013
- IDH Finance plc raised £400m from the issue of high-yield bonds
- IDH Academy opened end of May
- Dental Buying Group (“dbg”) acquired on 16 April 2013

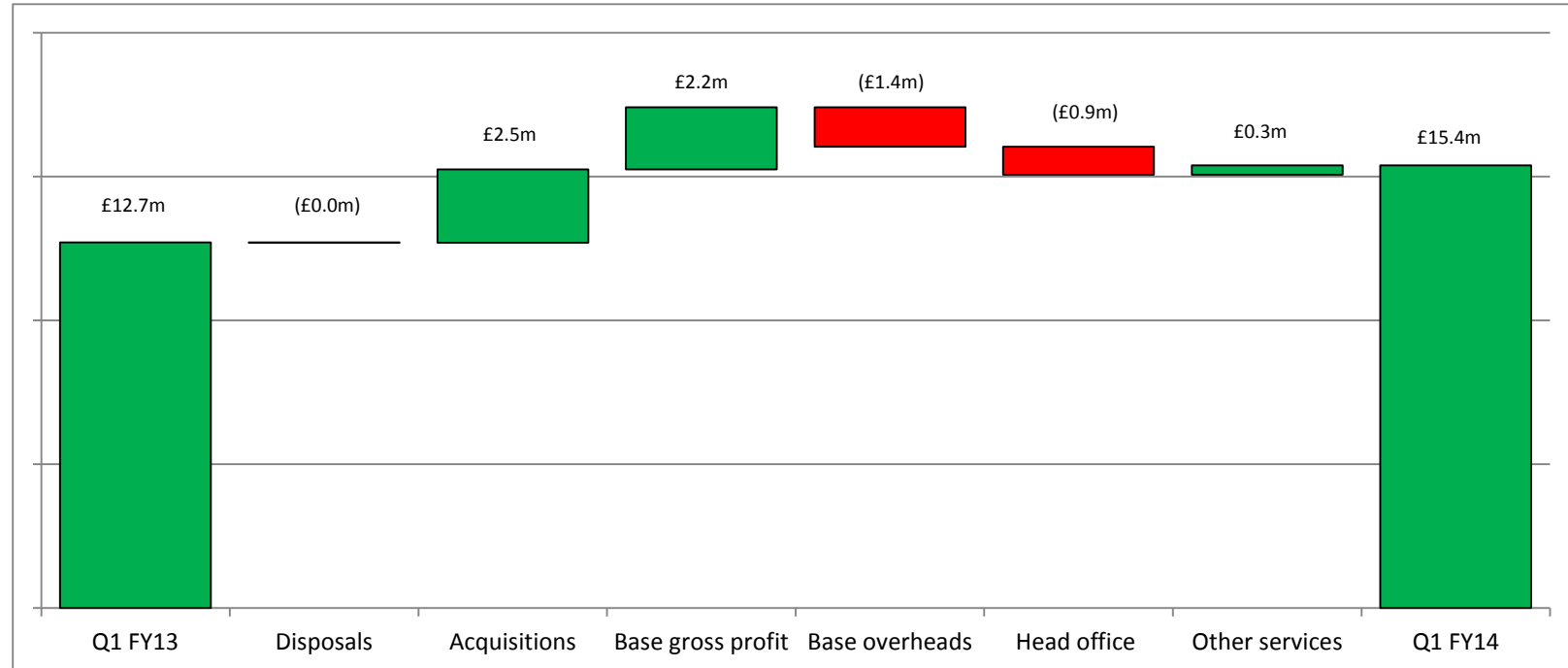
| | Q1 2014 £m | % of revenue | Q1 2013 £m | % of revenue | % change |
|--------------------------|---------------|--------------|---------------|--------------|--------------|
| Turnover | 98.7 | | 81.8 | | 20.7% |
| Gross profit | 47.2 | 47.8% | 38.8 | 47.4% | 21.6% |
| Administrative expenses* | (32.2) | 32.7% | (26.5) | 32.4% | 21.5% |
| Other operating income | 0.4 | 0.4% | 0.4 | 0.5% | 5.0% |
| EBITDA | 15.4 | 15.6% | 12.7 | 15.5% | 21.1% |

* Administrative expenses before depreciation, amortisation and exceptional items

- Turnover growth of 20.7% predominantly driven by acquisitions.
- Like-for-like private sales growth of 5.6%.
- Gross margin percentage up year-on-year but some cost pressure from dentist fees, laboratories and materials.
- Administrative expenses consistent as a percentage of turnover with prior periods.
- EBITDA growth of £2.7m and % margins maintained.
- Increase in LTM EBITDA to £59.0m and pro-forma EBITDA to £70.3m.



- Turnover from dental practices increased by £15.1m from the three months to June 2012.
- The primary driver was acquisitions in FY13 (+£7.2m) from the 51 sites acquired over the year, with only 6 acquired in the period to June 2012, and FY14 acquisitions (+£3.0m) from the 19 sites acquired year to date.
- Base practices were up £5.3m due to:
 - DDRB contract uplift of 1.5% per annum effective from 1 April 2013.
 - Improved year-on-year UDA delivery.
 - Private sales growth from additional services and volumes.
- Other services include dbg and the IDH Academy.



- EBITDA increased from £12.7m to £15.4m for the three months to 30 June 2013.
- The primary driver was acquisitions in FY13 and FY14 adding £2.5m to base EBITDA.
- Base practices were up £0.8m due to revenue improvements.
- Overheads include higher staff costs from pay rate increases for nurses and practice staff.
- Head office overhead increases relate to investment in systems and headcount for Acquisitions, IT, Human Resources, Legal and Finance teams as part of the growth in the number of practices.

- Total of 550 practices at 30 June 2013 (498: 30 June 2012).
- 19 practices have been acquired in Q1 compared to 6 in the equivalent period in FY13.
- The annualised EBITDA expected from these practices is £4.0m after incremental central overheads.
- Acquisitions in the period include:
 - A chain of Orthodontic practices across the Bristol and South Wales areas.
 - A domiciliary specialist providing services to care homes in the South East of England.
 - Standard IDH-type practices providing mostly NHS general dentistry services.

| | £m |
|--|------|
| LTM EBITDA before exceptional items at 30 June 2013 | 59.0 |
| Trading days adjustment | 0.4 |
| IT conversion adjustment | 0.5 |
| Estimated adjusted EBITDA of acquired dental practices at 30 June 2013 | 6.9 |
| Adjusted EBITDA for dbg including annualised synergies | 3.6 |
| Estimated pro-forma adjusted EBITDA | 70.3 |

- Pro-forma EBITDA calculated following the methodology set out in the IDH Finance plc Offering Memorandum.
- The trading day adjustment has been reduced to one day to reflect the additional bank holiday in June 2012.
- The IT conversion adjustment: time lost due to the system changes during Q2, Q3 and Q4 of year ended March 2013.
- The estimated adjusted EBITDA of acquired practices are management estimates for the annual EBITDA of an acquired practice less the actual results consolidated in LTM EBITDA.
- The dbg adjustment includes the annualised effect of the synergies resulting from the acquisition. Since April, management have started to implement the plans to deliver these synergies and which remain on track for delivery.

| £m | Q1 2014 | Q1 2013 |
|--|---------|---------|
| Operating cash flow | 8.2 | 12.2 |
| Capital expenditure | (5.1) | (2.3) |
| Corporation tax | (0.1) | - |
| Cash flow before acquisitions and debt service | 3.0 | 9.9 |
| Interest | (5.1) | (4.9) |
| Acquisitions | (50.7) | (4.2) |
| Debt issue costs | (11.3) | - |
| Financing | 46.0 | (5.2) |
| Net cash flow | (18.1) | (4.4) |
| Opening cash | 42.4 | 18.9 |
| Closing cash | 24.3 | 14.5 |
| Net debt | 360.9 | 633.0 |

- Net cash outflow of £18.1m distorted by timing difference of drawdown of acquisition funds before 31 March 2013 and completion of acquisitions during April.
- Financing includes additional funds of £25.3m drawn during Q1 for acquisitions prior to the bond issue.
- Operating cash flow includes a number of one-off items and timing differences.
- Capital expenditure includes acquisition refurbishment of £0.5m and “maintenance” capital expenditure of £4.6m.
- Net debt decrease due to capitalisation of shareholder loans via the issue of share capital by Turnstone Midco 2 Limited.

| £m | Q1 2014 | Q1 2013 |
|---------------------------------|---------|---------|
| Operating cash flow | 8.2 | 12.2 |
| Exceptionals | 0.1 | 0.8 |
| Working capital adjustments | 5.6 | - |
| Adjusted operating cash flow | 13.9 | 13.0 |
| Maintenance capital expenditure | (4.6) | (2.1) |
| Adjustments | 2.3 | - |
| Adjusted cash flow | 11.6 | 10.9 |
| EBITDA | 15.4 | 12.7 |
| Cash conversion | 75.5% | 85.9% |

- Operating cash flow low due to one-off items and timing differences within working capital.
- Working capital adjustments mainly relate to:
 - Late receipt of UDA monies from acquired practices.
 - Utilisation of acquisition accruals for regulatory requirements and pre-acquisition obligations.
- Maintenance capital expenditure includes one-off infrastructure projects:
 - £0.5m for business continuity IT projects including back-up storage, WAN upgrades and IT architecture improvements.
 - £0.7m for the relocation of Wimborne and Kingswood practices to upgraded premises.
 - £0.5m for the IDH academy.

Sources and uses

| Sources | £m | Uses | £m |
|------------------------------|--------------|---------------------------------|--------------|
| Senior secured notes (6.0%) | 200.0 | Gross debt repayment | 332.1 |
| Senior secured FRNs (L+5.0%) | 125.0 | Redemption of shareholder loans | 50.0 |
| Second lien notes (8.5%) | 75.0 | Fees & expenses (estimated) | 15.0 |
| | | Cash on balance sheet | 2.9 |
| Total sources | 400.0 | Total uses | 400.0 |

- Successful issue of £400m of notes by IDH Finance plc on 30 May 2013.
- Proceeds of notes used to re-finance existing bank debt and pay outstanding third party debt arising from the acquisition of IDH in 2011.
- Notes listed on the Global Exchange Market of the Irish Stock Exchange on 26 August 2013.
- £100.0m super senior revolving credit facility agreed with syndicate of banks to support future acquisition growth. The facility was undrawn at 30 June 2013.

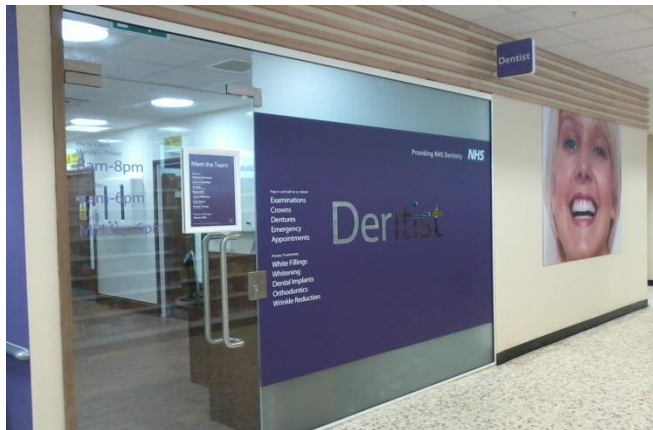


- The IDH academy opened on 29 May 2013 in new premises in Manchester city centre. The academy is the first major private post-graduate dental training facility in the UK.
- Features a flagship “practice of the future” providing NHS and private treatment.
- Separate training facility providing live surgery video feed facilities, a phantom head room and state of the art lecture and seminar rooms.
- The academy will integrate tailored personal development plans with learning pathways to facilitate career development plans for clinicians and employees.
- Bespoke online learning management system launched to deliver clinical CPD compliance and dental surgery courses.

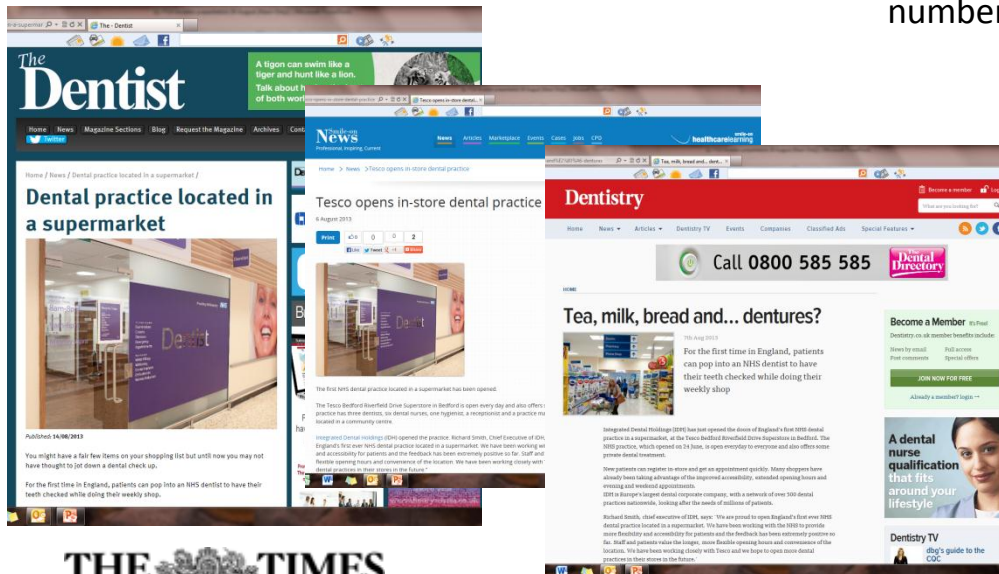


- dbg (Dental Buying Group) was acquired on 16 April 2013.
- dbg is a healthcare services business, operating a membership model targeted at primary care providers.
- Membership provides benefits of a buying group.
- Membership base comprises c.50% of dental practices and 25% of GP's.
- Services include introductions for insurance, card processing, payment plans, employment law, payroll processing and energy procurement.
- Other services include
 - Maintenance and calibration, including hand-piece repair services.
 - Training and compliance, including compliance services for CQC and Health and Safety regulations.
 - Materials and equipment, including own label and branded medical consumables.
 - Distributorships for dental equipment brands.
- Opportunity to “insource” equipment maintenance and other services to the group and reduce costs through VAT savings on people costs and margins.





- IDH, in conjunction with Tesco, has opened one new site and relocated two existing practices to supermarket locations.
 - Tesco Corstorphine (Edinburgh)
 - Tesco Maryhill (Glasgow)
 - Tesco Bedford
- Bedford is the first NHS England practice in a supermarket.
- Offers enhanced patient access through more flexible opening hours: 363 days a year, with extended hours and evening and weekend appointments.
- The flexibility and convenience of the location has increased the number of patients (up to double) in each practice.



THE TIMES
 Check-up before check-out as Tesco offers dentists in store

Further questions can be addressed to:

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Investor information is available from our dedicated investor website www.idhgroup.co.uk/investors